



PROPOSED RULEMAKING (RCW 34.05.320)

CR-102 (7/10/97)

Do NOT use for expedited adoption

Agency: Department of Revenue		<input checked="" type="checkbox"/> Original Notice <input type="checkbox"/> Supplemental Notice to WSR _____ <input type="checkbox"/> Continuance of WSR _____													
# Preproposal Statement of Inquiry was filed as WSR 00-21-089; or G Expedited Adoption - - Proposed Rule making notice was filed as WSR _____; or G Proposal is exempt under RCW 34.05.310(4).															
(a) Title of Rule: WAC 458-20-169 (Religious, charitable, benevolent, nonprofit service organizations and sheltered workshops) <u>Nonprofit Organizations.</u> (b) Purpose: Rule informs nonprofit organizations about their tax and tax-reporting responsibilities under Washington's tax system.															
Other identifying information:															
(b) Statutory authority for adoption: RCW 82.32.300		Statutes being implemented: 82.04.327, 82.04.339, 82.04.3395, 82.04.363, 82.04.3651, 82.04.367, 82.04.368, 82.04.385, 82.04.4297, 82.04.431, 82.08.02573, 82.08.02915, 82.08.830, 82.12.02595, 82.12.02915, and 82.12.02917.													
(c) Summary: The rule is needed to help explain Washington taxes to nonprofit organizations that are often exempt from tax under other federal or state tax systems. The rule provides nonprofit organizations an overview of Washington business, retailing and use taxes. It contains basic instructions for registering and filing Washington taxes and an updated discussion of nonprofit exemptions and deductions. Reasons supporting proposal: The rule is being amended for statutory changes made for nonprofit organizations, particularly in the fundraising and donations areas.															
<table border="1"> <thead> <tr> <th>(d) Name of Agency Personnel Responsible for:</th> <th>Office Location</th> <th>Telephone</th> </tr> </thead> <tbody> <tr> <td>1. Drafting.....</td> <td>Ed Ratcliffe, 1025 Union Ave. #400, Olympia, WA</td> <td>(360) 570-6126</td> </tr> <tr> <td>2. Implementation</td> <td>Claire Hesselholt, 1025 Union Ave. #400, Olympia, WA</td> <td>(360) 570-6124</td> </tr> <tr> <td>3. Enforcement ..</td> <td>Russell Brubaker, 1025 Union Ave. #400, Olympia, WA</td> <td>(360) 570-6131</td> </tr> </tbody> </table>				(d) Name of Agency Personnel Responsible for:	Office Location	Telephone	1. Drafting.....	Ed Ratcliffe, 1025 Union Ave. #400, Olympia, WA	(360) 570-6126	2. Implementation	Claire Hesselholt, 1025 Union Ave. #400, Olympia, WA	(360) 570-6124	3. Enforcement ..	Russell Brubaker, 1025 Union Ave. #400, Olympia, WA	(360) 570-6131
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(e) Name of proponent		<input type="checkbox"/> Private <input type="checkbox"/> Public <input checked="" type="checkbox"/> Governmental													
(f) Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: No comments or recommendations are submitted.															
(g) Is rule necessary because of: Federal Law? Federal Court Decision? State Court Decision?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Citation: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
(h) HEARING LOCATION: Department of Revenue Conference Room Capital Plaza Building, 4 th Floor 1025 E. Union Ave. Olympia, WA 98504		Submit written comments to: Ed Ratcliffe Department of Revenue Post Office Box 47467 Olympia, Washington 98504-7467 FAX (360) 664-0693 By: February 27, 2001 e-mail: edr@dor.wa.gov													
Date: February 27, 2001 Time: 10 a.m. Assistance for persons with disabilities: Contact: Barbara Vane no later than 10 days before the hearing date TDD 1-800-451-7985 or (360) 570-6182		DATE OF INTENDED ADOPTION: March 14, 2001													
NAME (TYPE OR PRINT) Claire Hesselholt		CODE REVISER USE ONLY <div>FILED</div> <div>JAN 18 2001</div> <div>TIME</div> <div>11:34 AM</div> <div>WSR</div> <div>01-03-091</div>													
SIGNATURE															
TITLE Rules Manager Legislation & Policy Division	DATE														

(COMPLETE REVERSE SIDE)

Short explanation of rule, its purpose, and anticipated effects: WAC 458-20-169 provides instructions for most nonprofit organizations about their Washington tax obligations. It provides referrals to other rules, registration and filing information, an outline of Washington taxes and when these taxes are generally due, an updated discussion of the exemptions for fundraising and contributions, and a more thorough discussion of exemptions and deductions. The rule's purpose is to provide nonprofit organizations an overview of their Washington tax obligations. The anticipated effect is that more nonprofit organizations will be able to determine their Washington tax liabilities and, in particular, find those exemptions and deductions available to them.

Does proposal change existing rules? ☐ YES ☒ NO If yes, describe changes:

This is a proposal to revise a current rule, WAC 458-20-169—Religious, charitable, benevolent, nonprofit service organizations, and sheltered workshops. The Department is proposing to change the title to “Nonprofit organizations” to better reflect the subject matter of the rule. The other changes are to update the rule to incorporate recent legislation (e.g., chapter 358, Laws of 1999, and chapter 336, Laws of 1998, regarding fundraising activities) and provide a more complete and coherent explanation of Washington’s tax structure for nonprofit organizations.

The Department is proposing a substantial restructuring of the information provided in this rule. The purpose for this restructuring is to provide the information in a more user-friendly manner. As a result, the information provided in the existing rule has been “(struck-out)” in its entirety, and the proposed language in its entirety denoted with “underlining”. This was done not to necessarily indicate legislative or policy changes, but to make it easier for the reader to accurately determine the provisions of the proposed rule.

(k) Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☒ YES. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by writing to:

☒ NO. Explain why no statement was prepared.

A small business economic impact statement is not required because the rule and the proposed amendments do not impose any requirements or burdens upon small businesses that are not already specifically required by statute

(l) Does RCW 34.05.328 apply to this rule adoption? ☒ Yes ☐ No

Please explain: This is not a “significant legislative rule.” The requirements outlined in the rule are specifically required by statute.
